

City of Annapolis

FY 2002 - FY 2007 Capital Improvements Program

Capital Improvements Program

Introduction:

The Capital Improvements Program (CIP) is a projection of the City's capital investments plan for a six-year period. Capital investments involve major City projects which normally have long, useful lives. Projects included in the CIP usually fall into one of the following four categories:

1. Acquisition of land for a public purpose.
2. The construction of a significant facility, road or an addition to an existing facility.
3. Non-recurring rehabilitation or major repair to all or part of a facility.
4. Any specific planning, engineering study or design work related to a project that falls in the above three categories.

The recommended CIP includes six years of projected capital needs. The first year of the program will become the capital budget for which project money will be authorized. The remaining five years of the CIP will serve as a financial plan for capital investments. The financial plan will be reviewed each year as the CIP is updated and prepared.

Financing the Capital Budget:

The following funding sources are used to finance the projects presented in the CIP:

- *General Obligation Bonds* - Bonds are the primary source of funding by which capital projects are financed.
- *State Grants* - The City receives state grants for various capital projects, including roads, community facilities, buses and dock repairs .
- *Federal Grants* - Usually for transportation related capital projects, such as the new bus fleet.
- *AA Co. Contributions* - Contributions from Anne Arundel County for projects that serve the need of both City and County residents, usually roads.
- *Contributions* - Funds contributed to a project by a local business or special interest group. This includes developer contributions, which are payments by developers for capital facilities that enhance their property.
- *Community Development Block Grant (CDBG) Funds* - Federal grant funds primarily used to facilitate the production and preservation of low and moderate income housing.
- *Capital Facilities Assessments (CFA)* - A source of funding for Water and Wastewater projects only, these are user fees in the form of connection charges and annual assessments.
- *Operating Funds* - Next to general obligation bonds, operating funds are the largest source of funding for capital projects.

City of Annapolis
FY 2002 - FY 2007 Capital Improvements Program

- continued -

Relationship Between the Operating and Capital Budget:

The Operating and Capital budgets of the City of Annapolis have a direct relationship. The cost of operations and maintenance of a new capital project will need to be absorbed in the operating budget. Whenever a capital project is brought on line, operating costs are incurred.

The Operating Budget for the City is for costs associated with providing on-going services to citizens. Some of these operating costs are for salaries, professional services, maintenance costs, supplies and operating capital items. Revenues for the operating budget are generally from taxes, intergovernmental sources and user fees.

The Capital Budget includes expenditures for major capital programs which add to the capital assets for infrastructure of the City. These programs are long-term in nature (over one year) and are usually financed on a long-term basis. The long-term financing is associated with a long-range commitment of operating funds. For example, if twenty year bonds are issued to finance capital needs, the operating funds will need to budget debt service payments for the next two decades. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact.

Use of Operating Funds for Capital Projects:

In an effort to provide critical capital projects, while simultaneously keeping debt issuances to a minimum, the City pursues a policy of earmarking excess General Fund balance for the purpose of providing pay-as-you-go funding for the CIP. The City strives to maintain a General Fund balance at a level equal to 25% of annual revenues. Amounts in excess of this target are eligible to be used as “pay-as you-go” funding for the CIP. In the adopted FY 2002 General Fund operating budget, \$6,032,790 has been budgeted as a pay-as-you-go transfer to the Capital Improvements Program.

Capital Improvements Program "Back Page"

Listed below are the known projects which have been identified as desirable, but unaffordable in the current CIP program. They are not in priority order.

<i>Project Name</i>	<i>Estimated Cost</i>
Smithville/Russell Street Roadway Improvements *	1,033,000
Bates Senior Center	500,000
Church Circle Brick Roadway	1,475,000
Maryland Avenue/Hanover Street Reconstruction	5,235,000
Consolidated Public Works Facility	5,020,000
Water Plant Clearwell Cover	675,000
City Dock Bulkhead Replacement	2,500,000
Recreation/Open Space Land Purchase	-
NAAA Shuttle Enhancements	183,000
Taylor Avenue Undergrounding	2,914,000
Undergrounding of Utilities	-
Sidewalk Repair/Replacement Program	-
Consolidation of City Offices	-
Visitor/Reception Center	-
Expansion of Shuttle Service	-
Create Economic Investment Fund	-
Alternative Use of Waterworks Park	-
Dredging of City Waterways	-
Total	19,535,000

* Decision awaits action/decision on reuse of Bates High School.

Changes From the FY 2002-FY 2007 Proposed to the FY 2002-FY 2007 Adopted Capital Improvements Program

(In Thousands)

The following tables illustrate changes made between the Mayor's Proposed FY 2002 - FY 2007 Capital Improvement Program and the Council Adopted FY 2002 - FY 2007 Capital Improvement Program. The amounts shown are for project capital costs only, and do not include costs for debt service or operating and maintenance costs.

Financial Management System

(General Government Project 515): Project deferred.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed	75,000	750,000						825,000
Adopted	75,000		750,000					825,000

Police Land Acquisition

(Public Safety Project *new*): Project eliminated.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed		350,000						350,000
Adopted								0

Glenwood Storm Drain Pipe

(Storm Drains Project *new*): Project eliminated.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed		186,000						186,000
Adopted								0

Mobile Data Computing

(Public Safety Project *new*): Funds reduced and deferred.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed		220,000						220,000
Adopted		118,000	220,000					338,000

Changes From the FY 2002-FY 2007 Proposed to the FY 2002-FY 2007 Adopted Capital Improvements Program

- continued -
(In Thousands)

Forest Drive Sidewalks

(Roadways Project 449): Funds increased.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed	168,000							168,000
Adopted	168,000	848,000						1,016,000

Porter Drive Outfall

(Storm Drain Project 114): Project moved up.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed						33,000	202,000	235,000
Adopted		202,000						202,000

Germantown Field Drainage

(Recreation Project new): Funds increased.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed								0
Adopted		50,000						50,000

Advance Land Acquisition

(Recreation Project 336): Funds increased.

	<i>Prior Year</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>Total</i>
Proposed	37,420							37,420
Adopted	37,420	50,000						87,420

Capital Improvement Program Fund Totals
FY 2002 - FY 2007

<i>Fund</i>	<i>FY 2002 Adopted</i>
General	37,849,020
Water	6,211,500
Sewer	23,601,180
Off Street Parking	33,090,000
Dock	172,000
Market	80,000
Transportation	2,876,000
Total	\$103,879,700

The table above, and also the following table, include project capital costs only, and do not include costs for debt service or operating and maintenance costs.

**Capital Improvements Program Summary by Fund
FY 2002 - FY 2007**

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>General Fund:</i>	
#108 Homewood Drainage Area Improvement	1,401,060
#113 German Street Drainage Improvement	77,000
#114 Porter Drive Outfall Repair	202,000
#118 Moreland Parkway Watershed Management	251,200
#new Drainage Pipe Lining	95,000
#207 Ladder Truck	726,000
#217 Police Building Renovations	403,000
#new Mobile Data Computing	338,000
#new Eastport Fire Station	50,000
#302 Poplar Avenue Trail	379,020
#308 Truxtun Park Path	66,450
#333 Neighborhood Imp/Small Projects	20,000
#335 Northwest Street Park	112,980
#336 Advance Land Acquisition	87,420
#337 Resurfacing of Bates Running Track	187,000
#338 Skate Park	37,000
#402 Edgewood Road Improvements	1,818,000
#433 West Street Revitalization	12,161,360
#448 Downtown Undergrounding	296,000
#449 Forest Drive Sidewalks	1,016,000
#450 Spa Road Repairs	74,000
#451 South Street	218,000
#new Chesapeake Avenue - ADA Modifications	68,000
#514 Recreation Center	4,630,000

**Capital Improvements Program Summary by Fund
FY 2002 - FY 2007**

- continued -

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
#515 Financial Management System	825,000
#516 Structural Inspection of Dam	42,460
#554 Vehicle Replacement Program	3,826,070
#580 Information Technology Program	770,000
#new Newman St Playground	200,000
#new Truxtun Park Improvements	400,000
#new Bates Athletic Complex Improvements	120,000
#new Germantown Fields Drainage	50,000
#new Bay Ridge Avenue Traffic Calming	240,000
#new Eastport Street Widening	196,000
#new Coordinated Traffic Signal Control System	1,120,000
#new Taylor Avenue Improvements	5,345,000
Total	37,849,020

Water Fund:

#936 Emergency Power WTP	460,000
#937 Water Storage Tank	4,340,000
#941 Water Wells No. 10 & 11	684,000
#985 Water Tank Rehabilitation	727,500
Total	6,211,500

Sewer Fund:

#961 Second Street Force Main	1,128,000
#968 WWTP Sewer Replacement	452,000
#970 Wastewater Treatment Plant	16,927,140
#998 General Sewer Rehabilitation	5,094,040

**Capital Improvements Program Summary by Fund
FY 2002 - FY 2007**

- continued -

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
Total	23,601,180

OSP Fund:

#999 Knighton Garage	8,090,000
#new Park Place Garage	25,000,000
Total	33,090,000

Dock Fund:

#994 Truxtun Park Boat Ramps	74,000
#995 Pier Replacement	22,000
#996 Eastport Bulkhead Replacements	46,000
#new Dinghy Dock Facilities	30,000
Total	172,000

Market Fund:

#933 Market House Roof	80,000
Total	80,000

Transportation Fund:

#984 Bus Fleet	1,600,000
#997 Intelligent Transportation Systems	246,000
#new Transit Center	1,030,000
Total	2,876,000

Grand Total	103,879,700
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Capital Improvements Program Funding Summary by Program Area

(In Thousands)

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>6 Year Total</i>
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Storm Drains:

Bond Funds	604	72		532					532
State Grants	246	246							0
Operating Funds	1,176	332	844						844
Total	2,026	650	844	532	0	0	0	0	1,376

Public Safety:

Bond Funds	1,084	328		756					756
Operating Funds	433	25	168	240					408
Total	1,517	353	168	996	0	0	0	0	1,164

Recreation:

Bond Funds	2,415			2,415					2,415
State Grants	2,564	369	435	1,165	595				2,195
Operating Funds	1,311	486	355	250	220				825
Total	6,290	855	790	3,830	815	0	0	0	5,435

Roadways:

Bond Funds	8,552	3,527		5,025					5,025
State Grants	60	60							0
Operating Funds	7,845	2,644	4,033	288	220	220	220	220	5,201
AA Co. Contribution	750	750							0
Other	5,345					5,345			5,345
Total	22,552	6,981	4,033	5,313	220	5,565	220	220	15,571

Capital Improvements Program Funding Summary by Program Area

(In Thousands)

- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>6 Year Total</i>
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General Government:

Operating Funds	5,463	1,113	600	1,350	600	600	600	600	4,350
Total	5,463	1,113	600	1,350	600	600	600	600	4,350

General Community:

Operating Funds	0								0
Total	0	0	0	0	0	0	0	0	0

Water:

Bond Funds	5,264	3,214		2,050					2,050
Operating Funds	947	220				206	244	277	727
Total	6,211	3,434	0	2,050	0	206	244	277	2,777

Wastewater:

Bond Funds	20,142	6,476	5,123	8,543					13,666
Operating Funds	3,460	1,297			1,035		1,128		2,163
Total	23,602	7,773	5,123	8,543	1,035	0	1,128	0	15,829

Off Street Parking:

Bond Funds	8,020	8,020							0
Operating Funds	70	70							0
Other Funds	25,000		25,000						25,000
Total	33,090	8,090	25,000	0	0	0	0	0	25,000

Capital Improvements Program Funding Summary by Program Area

(In Thousands)

- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>6 Year Total</i>
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Dock:

Operating Funds	172	142	30						30
Total	172	142	30	0	0	0	0	0	30

Market:

Operating Funds	80		80						80
Total	80	0	80	0	0	0	0	0	80

Transportation:

State Grants	288	85	50	103	50				203
Operating Funds	288	85	50	103	50				203
Federal Grant	2,301	677	400	824	400				1,624
Total	2,877	847	500	1,030	500	0	0	0	2,030

Total Funding:

Bond Funds	46,081	21,637	5,123	19,321	0	0	0	0	24,444
State Grants	3,158	760	485	1,268	645	0	0	0	2,398
Federal Grants	2,301	677	400	824	400	0	0	0	1,624
Operating Funds	21,245	6,414	6,160	2,231	2,125	1,026	2,192	1,097	14,831
AA Co. Contribution	750	750	0	0	0	0	0	0	0
Other	30,345	0	25,000	0	0	5,345	0	0	30,345
Grand Total	103,880	30,238	37,168	23,644	3,170	6,371	2,192	1,097	73,642